

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2407

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

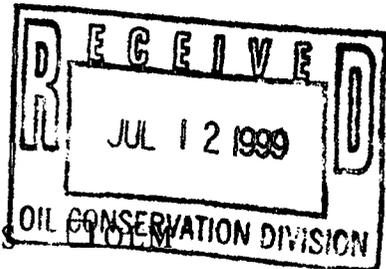
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
- NSL NSP DD SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement
- DHC CTB PLC PC OLS

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
- WFX PMX SWD IPI EOR PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Kay Maddox
 Print or Type Name

Signature

Kay Maddox

Title

Regulatory Agent

Date

7/8/99

DISTRICT I
 P O Box 1980, Hobbs, NM 88241 1980

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-107-A
 New 3-12-96

DISTRICT II
 811 South First St. Artesia NM 88210 2835

OIL CONSERVATION DIVISION

2040 S. Pacheco
 Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

Administrative Hearing

DISTRICT III
 1000 Rio Brazos Rd. Aztec, NM 87410 1693

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

YES NO

Operator Conoco Inc. Address 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Lease Wood WN Federal Well No 1 Unit Ltr Sec Twp Rge B, S-21, T-29N, R-10W County San Juan

OGRID NO. 005073 Property Code 014131 API NO. 30-045-20267 Spacing Unit Lease Types: (check 1 or more)
 Federal , State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesaverde 72319		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	3872-4271 Proposed		6289-6407
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a (Current) 1011 est.	a.	a. 767
	b(Original) 1011 est.	b.	b. 1174
6. Oil Gravity (*API) or Gas BT Content	1250 est		1242
7. Producing or Shut-In?	To be Completed		Producing
Production Marginal? (yes or no) • If Shut-In give date and oil/gas/water rates of last production Note For new zones with no production history applicant should be required to attach production estimates and supporting data • If Producing, date and oil/gas/water rates of recent test (within 60 days)	No		Yes
	Date Rates N/A	Date Rates:	Date Rates
	Date Rates To be allocated by subtraction. See Attached Table.	Date Rates	Date Rates 06/15/99 68 MCFD 0.3 BOPD, 0.4 BWPD
8. Fixed Percentage Allocation Formula - % or each zone	oil: % Gas %	oil: % Gas %	oil: % Gas %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
 If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
 Have all offset operators been given written notice of the proposed downhole commingling? Yes No

11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each others Yes No

13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _____

16. ATTACHMENTS

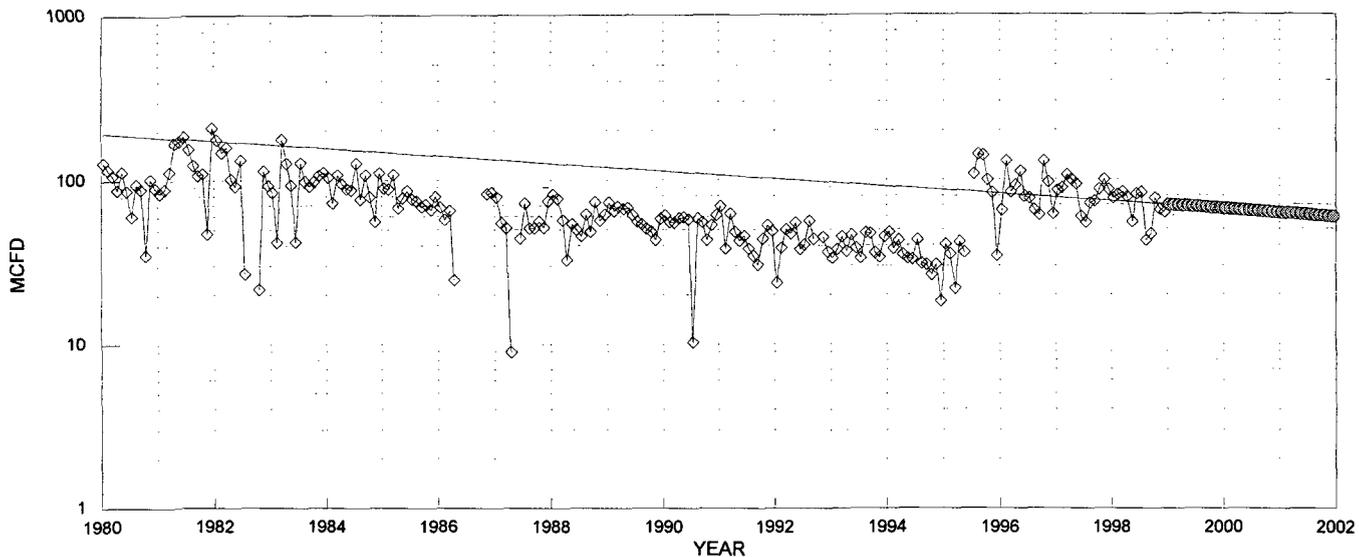
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Yolanda Perez TITLE Regulatory Analyst DATE 7/18/99

TYPE OR PRINT NAME Yolanda Perez TELEPHONE NO. (915) 293-1613

**WOOD WN FED #1 DAKOTA PRODUCTION
SECTION 21B-29N-10W**



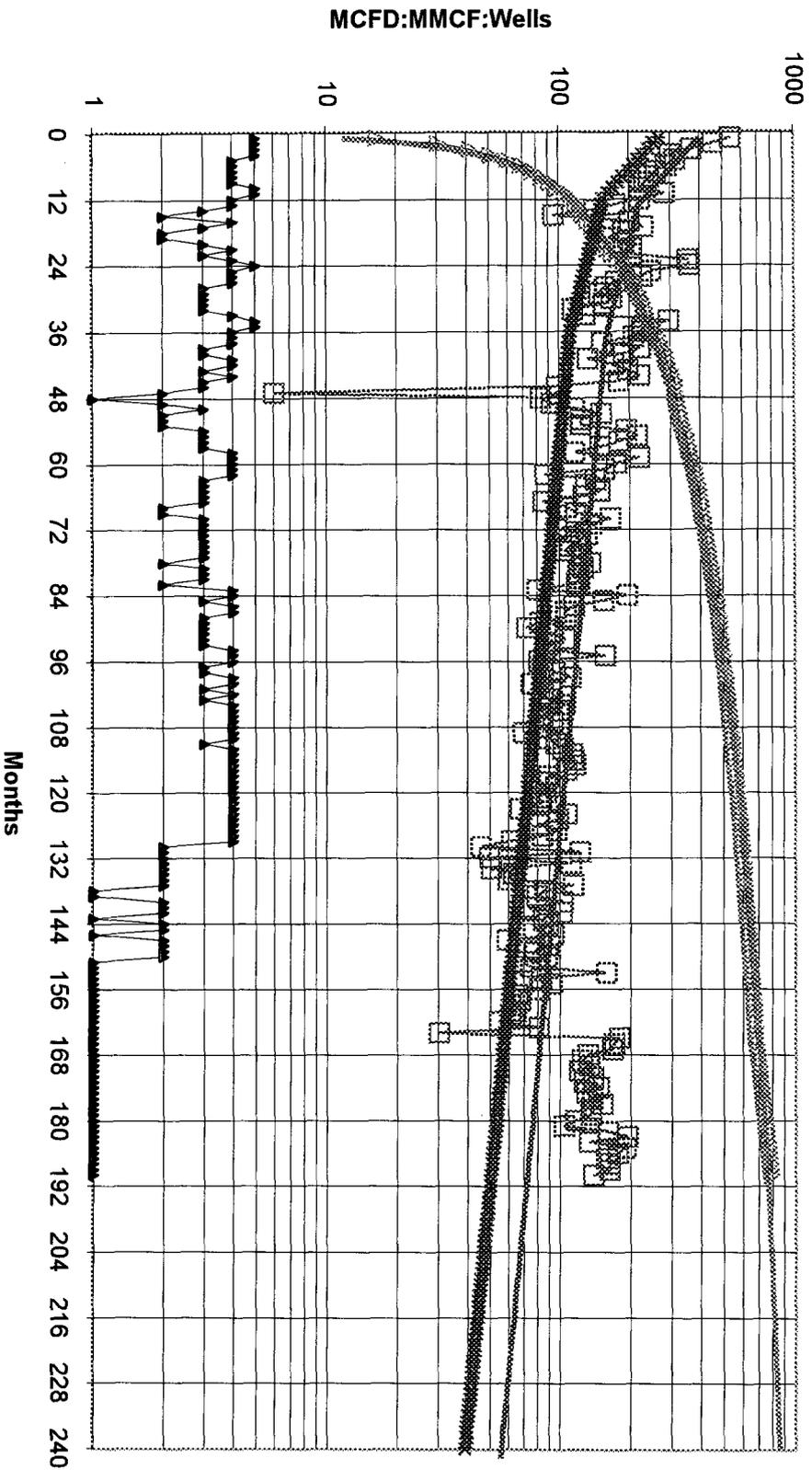
◇ DAKOTA MCFD ⊗ FIT MCFD — Historical Fit

DAKOTA HISTORICAL DATA	1ST PROD: 10/88	DAKOTA PROJECTED DATA
OIL CUM:	8.8 MBO	1/1/99 Qi: 70 MCFD
GAS CUM:	1252.5 MMCF	DECLINE RATE: 5.50% (EXPONENTIAL)
OIL YIELD:	0.0070 BBL/MCF	OIL YIELD: 0.0042 BBL/MCF, LAST 3 YEARS

YEAR	MID-YEAR AVG MCFD	MID-YEAR AVG BOPD
1999	68	0.29
2000	64	0.27
2001	60	0.26
2002	57	0.24
2003	54	0.23
2004	51	0.22
2005	48	0.20
2006	46	0.19
2007	43	0.18
2008	41	0.17
2009	38	0.16
2010	36	0.15
2011	34	0.15
2012	32	0.14
2013	31	0.13
2014	29	0.12
2015	27	0.12
2016	26	0.11
2017	24	0.10
2018	23	0.10
2019	22	0.09
2020	21	0.09
2021	20	0.08
2022	18	0.08
2023	17	0.07
2024	16	0.07
2025	16	0.07
2026	15	0.06
2027	14	0.06
2028	13	0.06

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NORMALIZED MESAVERDE PRODUCTION
(29N 10W SEC 21-22)



NORMALIZED MCFD
 NORM CUM MMCF
 WELLS ON PRODUCTION
 FIT CUM MMCF
 RISKED MCFD
 FIT MCFD

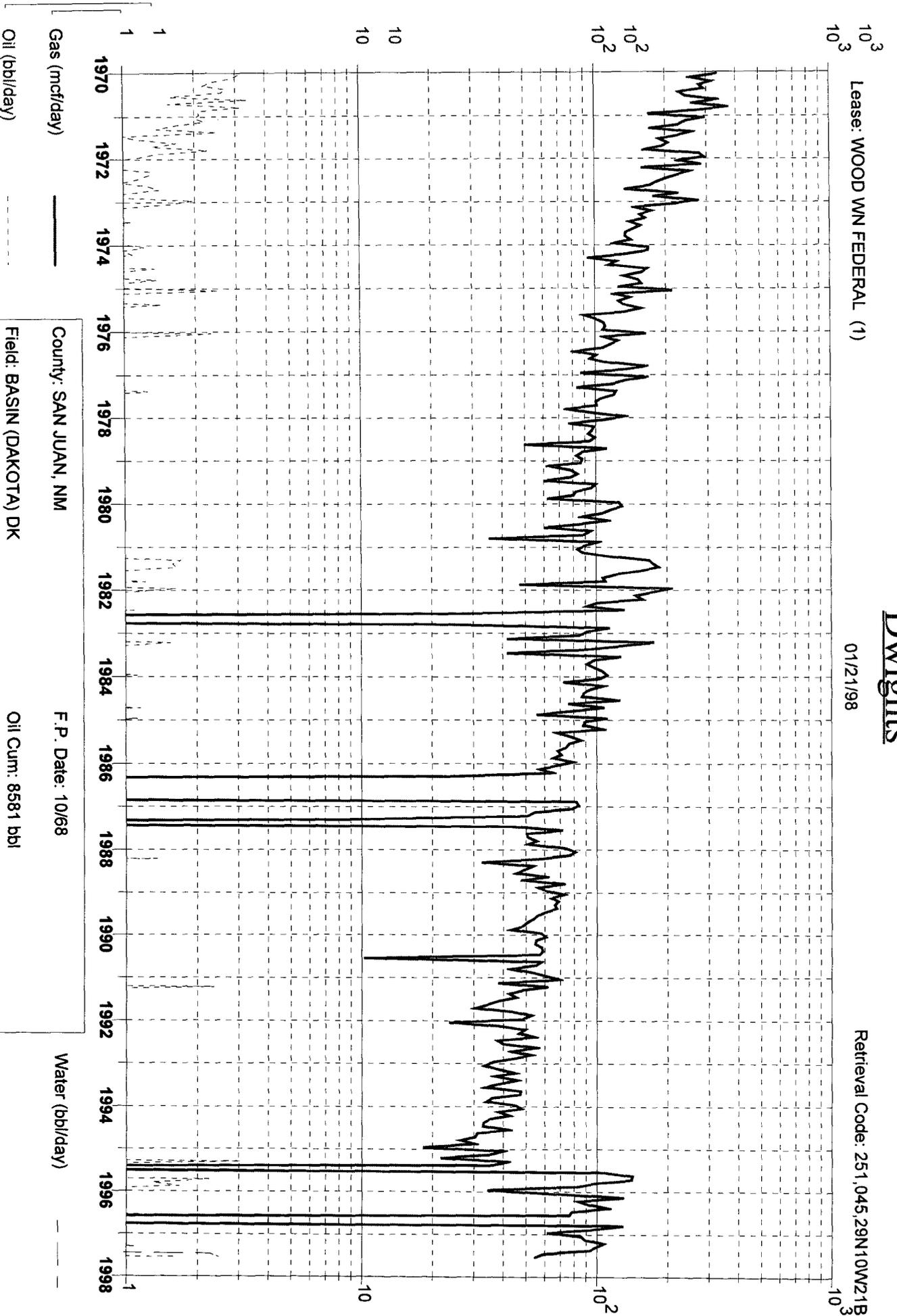
<p>NORMALIZED AVG:</p> <p>1096 MMCF EUR 859 MMCF IN 20 YRS 15 MCFD E.L. 3.0516 BMMcf oil yield</p>	<p>RISKED AVG: 30% RISK</p> <p>400 MCFD IP 741 MMCF EUR 280 MCFD IP 45% DECLINE, 1ST 12 MONTHS 601 MMCF IN 20 YRS 45.0% DECLINE, 1ST 12 MONTHS 15% DECLINE, NEXT 24 MONTHS 15 MCFD E.L. 15.0% DECLINE, NEXT 24 MONTHS 6.0% FINAL DECLINE 6.0% FINAL DECLINE</p>
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Dwights

Lease: WOOD WN FEDERAL (1)

01/21/98

Retrieval Code: 251,045,29N10W21B00DK



Gas (mcf/day)

Oil (bbl/day)

County: SAN JUAN, NM

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

Operator: CONOCO INC

F.P. Date: 10/68

Oil Cum: 8581 bbl

Gas Cum: 1211 mmcf

Location: 21B 29N 10W

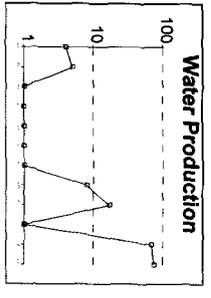
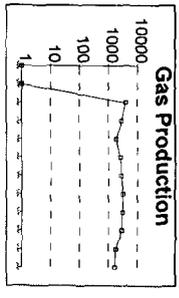
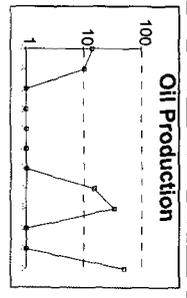
Water (bbl/day)

Lease: WOOD WN FEDERAL
 Field: BASIN (DAKOTA) DK
 Operator: CONOCO INC
 RCI #: 251,045,29N10W21B00DK
 API #: 30-045-20267-00

Well #: 1
 Location: 21B 29N 10W
 Liquid Cum: 8,581 bbls
 Gas Cum: 1,210,850 mcf
 Status: ACT GAS

FP Date: 68-10
 LP Date: 97-07
 Liq Since: FPDATE
 Gas Since: FPDATE

DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
08/1996	14	0	4	1
09/1996	10	0	5	1
10/1996	0	3,922	0	1
11/1996	0	2,927	0	1
12/1996	0	1,862	0	1
01/1997	0	2,599	0	1
02/1997	1	2,698	1	1
03/1997	15	3,231	8	1
04/1997	33	3,014	17	1
05/1997	0	2,831	0	1
06/1997	0	1,799	69	1
07/1997	50	1,657	75	1
Total	123	26,540	179	1



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

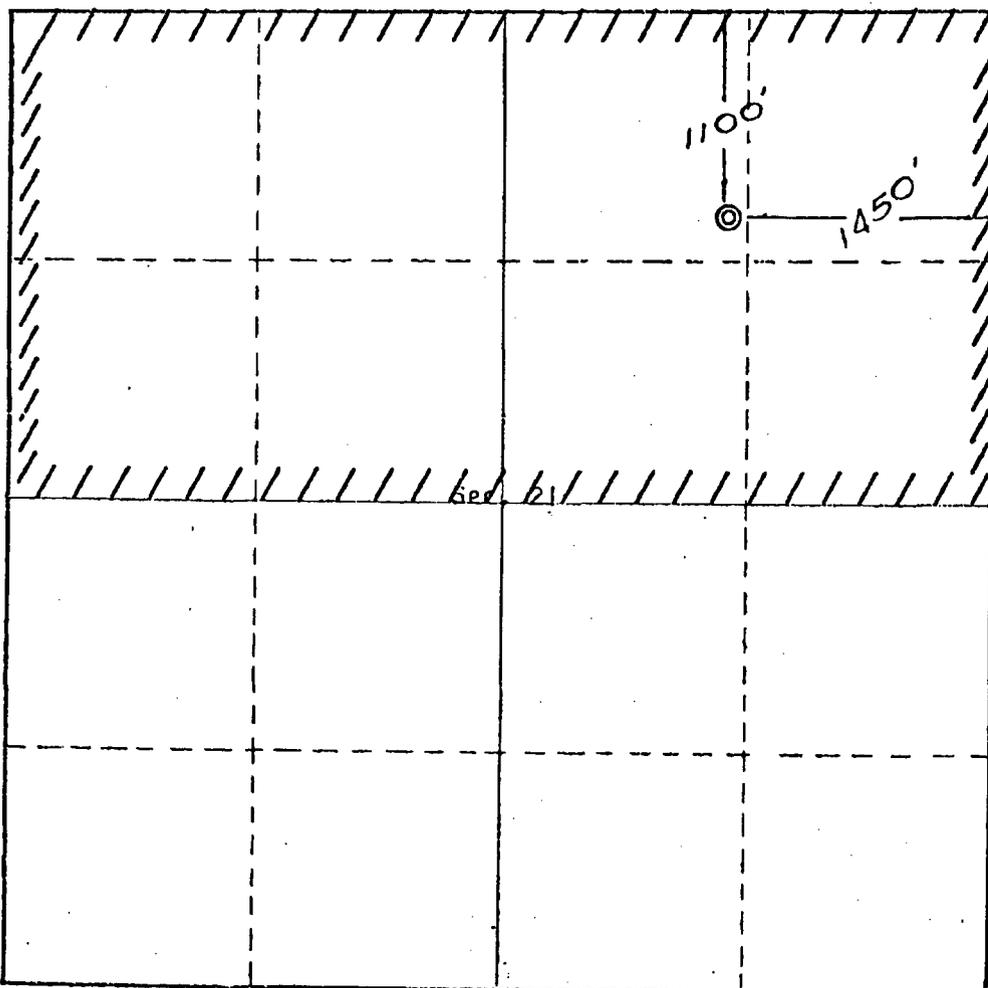
Operator SINCLAIR OIL & GAS COMPANY		Lease W-Wood-Federal Wood WN Federal		Well No. 1
Unit Letter B	Section 21	Township 29 North	Range 10 West	County San Juan
Actual Footage Location of Well: 1100 feet from the North line and 1450 feet from the East line				
Ground Level Elev: 5576 ungr.	Producing Formation Dakota-Graneros	Pool Basin Dakota	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation Communitization - Agreement #SW448

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

W.C. Brown

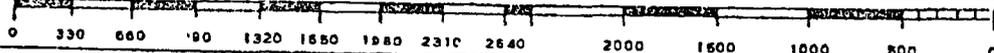
Name
Chief Office Clerk
Position
Sinclair Oil & Gas Co.
Company

Date
April 26, 1968

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
April 24, 1968
Registered Professional Engineer
and/or Land Surveyor

E. J. Cochran
Certificate No. **3602**



District I
 PO Box 1980, Hobbs, NM 88241-198
 District II
 PO Drawer DD, Artesia, NM 88211-071
 District III
 1000 Rio Brazos Rd. Aztec, NM 8741
 District IV
 PO Box 2088, Santa Fe, NM 87504-208

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 21, 1994
 instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-20267		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code 014131		5 Property Name Wood WN Federal			6 Well Number 1
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation

10 Surface Location

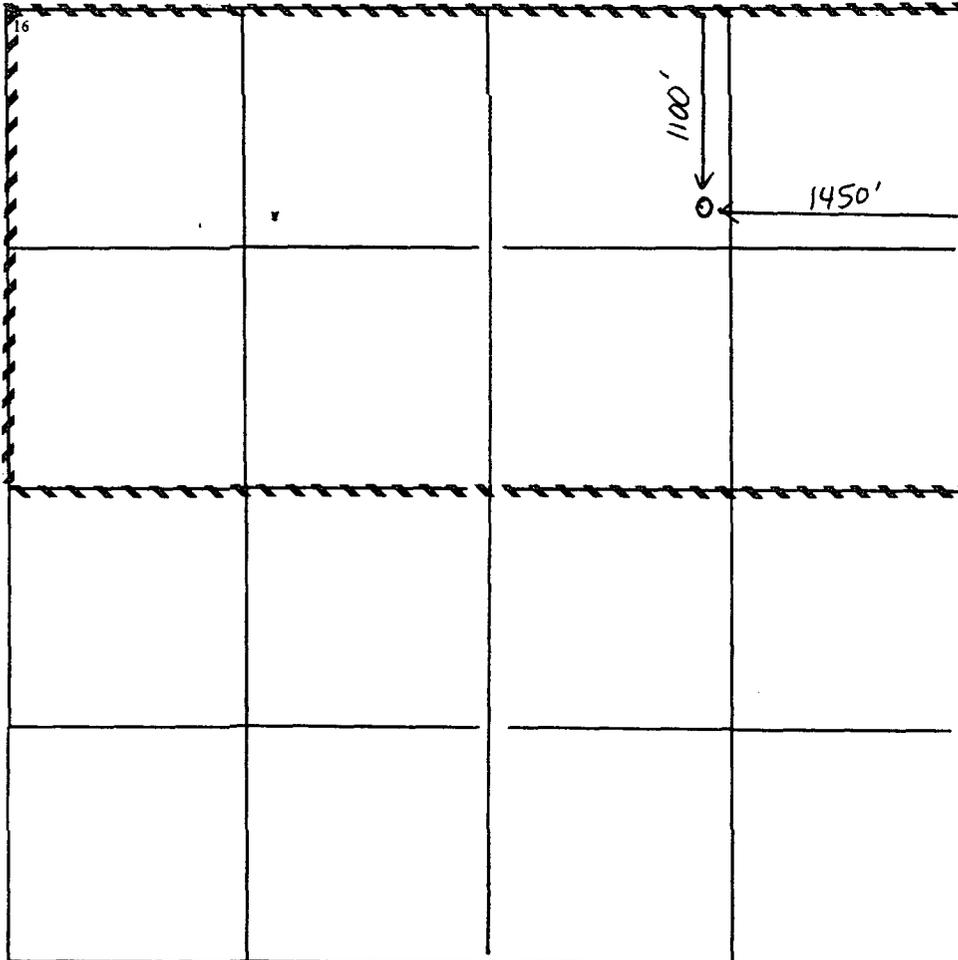
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	21	29N	10W		1100	North	1450	East	San Juan

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Yolanda Perez
 Signature

Yolanda Perez
 Printed Name

Regulatory Analyst
 Title

7/8/99
 Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
 Signature and Seal of Professional Surveyor:

Certificate Number

Conoco, Inc.
10 Desta Dr STE 100W
Midland, TX 79705

RE: Application to Downhole Commingle C-107A
Wood Wn Federal #1 Section 21, T-29-N, R-10-W, K
San Juan County, New Mexico

Notification Of Offset Operators:

Amoco
PO Box 800
Denver, CO 80201

Burlington Resources
PO Box 4289
Farmington, NM 87499

S&G Interests
811 Dallas STE 1505
Houston, TX 77002

Horace F. McKay Jr.
PO Box 14738
Albuquerque, NM 87191